

**MINUTES OF THE STANDING COMMITTEE ON
TAX POLICY**

Wednesday, April 4, 2007

10:30 A.M.

Room 519 House Office Building

Chairman Bieda called the meeting to order.

MEMBERS PRESENT: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Wenke, Calley. (13/17)

MEMBERS ABSENT/EXCUSED: Reps. Sheen, Steil, Pastor, Palmer. (4/17)

Representative Farrah moved to adopt the minutes from the March 27, 2007 and March 28, 2007 meetings. There being no objection, the minutes were approved.

Representative Condino moved to excuse absent members. There being no objection, absent members were excused.

Chairman Bieda laid **HB 4385** and **HB 4386** before the committee.

HB 4385 Bennett Taxation; other; penalties; modify.

HB 4386 Condino Taxation; other; nexus standard; modify.

Representative Paul Condino, sponsor of **HB 4386**, testified before the committee.

Scott Schrager, representing the Michigan Department of Treasury, testified before the committee on **HB 4385** and **HB 4386**.

Tricia Kinley, representing the Michigan Chamber of Commerce, testified before the committee in opposition to **HB 4385** and **HB 4386**.

Representative Doug Bennett, sponsor of **HB 4385**, testified before the committee.

Louise Somalski, representing the American Federation of Teachers of Michigan, turned in a testimony card in support of **HB 4385** and **HB 4386** but did not wish to speak.

Representative Condino moved to report **HB 4385** with recommendation.

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Wenke, Calley. (13/17)

NAYS: None. (0/17)

PASS: None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Farrah moved to report **HB 4386** with recommendation.

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Wenke. (11/17)

NAYS: Reps. Meltzer, Calley. (2/17)

PASS: None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Chairman Bieda laid **HB 4373** and **HB 4514** before the committee.

HB 4373	Corriveau	Sales tax; collections; sales tax on difference between trade-in and purchase price for privately sold vehicles; provide for.
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HB 4514	Brown	Use tax; credits and deductions; deduction for the value of a trade-in exchanged in the purchase of a new vehicle; provide for.
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Representative Marc Corriveau, sponsor of **HB 4373**, testified before the committee.

Representative Terry Brown, sponsor of **HB 4514**, testified before the committee.

Tricia Kinley, representing the Michigan Chamber of Commerce, turned in a testimony card in support of **HB 4373** and **HB 4514** but did not wish to speak.

Kurt Berryman, representing the Auto Dealers of Michigan, turned in a testimony card in support of **HB 4373** and **HB 4514** but did not wish to speak.

Representative Condino moved to adopt the following **amendment** to **HB 4373**:

1. Amend page 3, line 14, after “**VEHICLE**” by inserting “**IF THE AGREED-UPON VALUE IS SEPARATELY STATED ON THE INVOICE, BILL OF SALE, OR SIMILAR DOCUMENT GIVEN TO THE PURCHASER**”.

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Wenke, Calley. (13/17)

NAYS: None. (0/17)

PASS: None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Condino moved to adopt the following **amendment** to **HB 4373**:

1. Amend page 3, line 15, after “**MEANS**” by striking out the balance of the subparagraph and inserting “**THAT TERM AS DEFINED IN SECTION 33A OF THE MOTOR VEHICLE CODE, 1949 PA 300, MCL 257.33A**”.

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Wenke, Calley. (13/17)

NAYS: None. (0/17)

PASS: None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Mayes moved to adopt the following **amendment** to **HB 4373**:

1. Amend page 4, line 20 by striking out all of enacting section 1.

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Wenke, Calley. (13/17)

NAYS: None. (0/17)

PASS: None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Condino moved to report **HB 4373** as an **(H-1) substitute**, with recommendation

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Calley. (12/17)

NAYS: None. (0/17)

PASS: Rep. Wenke. (1/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Young moved to adopt the following **amendment** to **HB 4514**:

1. Amend page 4, line 13, after “**VEHICLE**” by inserting “**AND IF THE AGREED-UPON VALUE OF THE MOTOR VEHICLE USED AS PART PAYMENT IS SEPARATELY STATED ON THE INVOICE, BILL OF SALE, OR SIMILAR DOCUMENT GIVEN TO THE PURCHASER OR LESSEE**”.

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Calley. (12/17)

NAYS: None. (0/17)

PASS: Rep. Wenke. (1/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Condino moved to adopt the following **amendment** to **HB 4514**:

1. Amend page 4, line 14, after “**MEANS**” by striking out the balance of the subparagraph and inserting “**THAT TERM AS DEFINED IN SECTION 33A OF THE MOTOR VEHICLE CODE, 1949 PA 300, MCL 257.33A**”.

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Wenke, Calley. (13/17)

NAYS: None. (0/17)

PASS: None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Condino moved to adopt the following **amendment** to **HB 4514**:

1. Amend page 5, line 23 by striking out all of enacting section 1 and inserting:
“Enacting section 1. This amendatory act does not take effect unless House Bill No. 4373 of the 94th Legislature is enacted into law.”.

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Wenke, Calley. (13/17)

NAYS: None. (0/17)

PASS: None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Condino moved to report **HB 4514** as an **(H-1) substitute**, with recommendation

FAVORABLE ROLL CALL:

YEAS: Reps. Bieda, Condino, Farrah, Robert Jones, Mayes, Meisner, Melton, Sheltroun, Warren, Young, Meltzer, Calley. (12/17)

NAYS: None. (0/17)

PASS: Rep. Wenke. (1/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

There being no further business before the committee, **Chairman Bieda** declared the meeting adjourned, the time being 11:45 a.m.